

Making people's lives around the world richer through food



Nishimoto Co., Ltd.

Financial Results Supplementary Materials for the First Quarter of the Fiscal Year Ending December 2018



May 14, 2018

Summary of Financial Results for the First Quarter of the Fiscal Year Ending December 2018



Summary of Financial Results for the First Quarter of the Fiscal Year Ending December 2018



- Net sales of the Asia Food Global Business increased 3.0% year-on-year and net sales of the Agricultural & Seafood Products Trading Business increased 12.6% year-on-year. Total net sales increased 5.9% from a year earlier to 42.8 billion yen, which is mostly as originally planned.
- Operating income for the Asia Food Global Business (excluding the North American region) and the Agricultural & Seafood Products Trading Business increased from the previous year, but operating income for the North American region decreased by 0.37 billion yen. As a result, total operating income decreased 1.0% year-on-year, to 1.6 billion yen, which exceeded the original plan.
- The impact of exchange rates (the yen appreciated against the US dollar by 5.34 yen from the previous year) when converting to yen for consolidation purposes was negative 1.2 billion yen in terms of net sales and 0.05 billion yen in terms of operating income compared to the same period of the previous year.
- Quarterly net income increased 24.8% year-on-year to 1.1 billion yen, reflecting a reduction in the U.S. corporate tax rate, which exceeded the original plan.

(billions of yen; percentage to net sales is stated in parentheses)

		FY ended December 2017	FY ending December 2018	
		First quarter results ^{*1}	First quarter results	Changes year-on-year
Operating results	Net sales	40.4 (100.0%)	42.8 (100.0%)	+5.9%
	Gross profit	7.4 (18.4%)	7.7 (18.1%)	+4.0%
	Operating income	1.6 (4.1%)	1.6 (3.8%)	-1.0%
	Ordinary income	1.5 (3.9%)	1.5 (3.6%)	-2.9%
	Net income attributable to owners of parent	0.8 (2.2%)	1.1 (2.6%)	+24.8%
Yen/Dollar exchange rate (Average rate during the period)		113.64 yen	108.30 yen	-5.34 yen
Quarterly net income per share ^{*2}		71.74 yen	77.91 yen	+8.6%

(*1) Although the quarterly consolidated financial statements were not disclosed for the first quarter of the fiscal year ended December 2017, the figures in the "Quarterly Report for the New Listing Application (First Quarter of the 71st Fiscal Year)" were indicated.

(*2) The Company carried out a five-for-one common stock split on June 1, 2017. Quarterly net income per share was calculated on the assumption that the stock split has been conducted at the beginning of the fiscal year 2016. The average number of shares during the period for the calculation of the quarterly net income per share was 12,493,240 shares in the first quarter of the fiscal year ended December 2017 (taking the stock split into consideration) and 14,353,100 shares in the first quarter of the fiscal year ending December 2018.

[Asia Food Global Business]

- Net sales increased 3.0% from a year earlier, to 29.86 billion yen, due to development of new customers and boosting existing customers in the North American region and other regions (1.7% increase from a year earlier in North America [6.7% increase on a local currency basis] and 11.5% increase year-on-year in other regions on a consolidated yen basis).
- Operating income decreased 13.6% year-on-year, to 1.33 billion yen, due to the increase in selling, general and administrative expenses in North America, which has been continuing from the previous year. In North America, the structural reform (improvement in the profit margin and decrease in logistics expenses), which has been underway, will be further accelerated and bolstered. In other regions, both net sales and income increased year-on-year, hence the business base has been expanded.

[Agricultural & Seafood Products Trading Business]

- Net sales increased 12.6% year-on-year, to 11.8 billion yen, due to the increase in sales of fruits and vegetables as well as overseas sales.
- Operating income increased 149.6% year-on-year, to 0.26 billion yen, due to a recovery in sales of citrus fruits and tropical food items, which have experienced difficulties in the previous year.

Sales to external customers

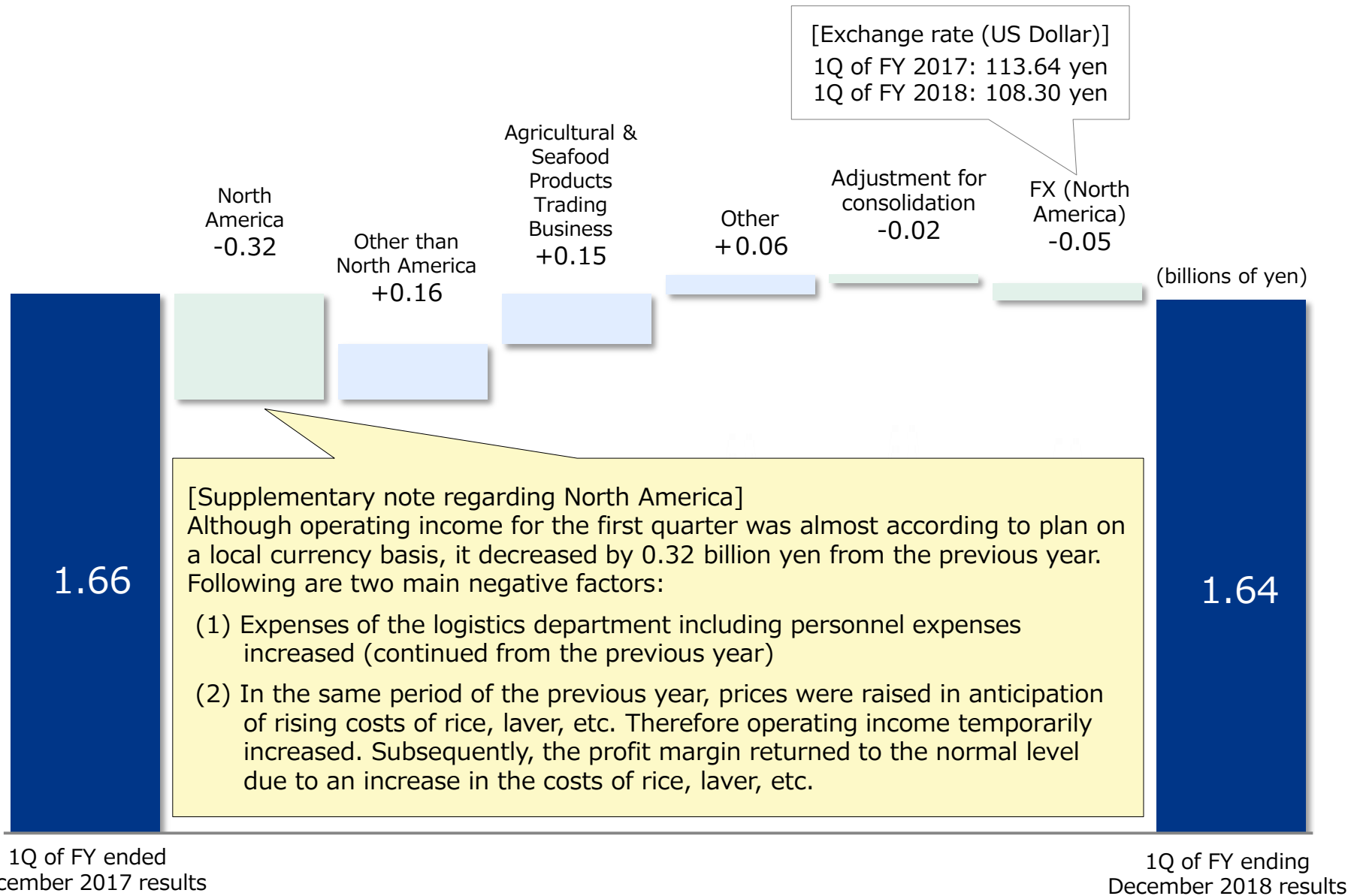
(billions of yen)

	First Quarter of FY ended December 2017 results	FY ending December 2018	
		First Quarter results	Changes year-on-year
Asia Food Global Business	29.00	29.86	+3.0%
Agricultural & Seafood Products Trading Business	10.47	11.80	+12.6%
Other business	0.96	1.14	+19.5%
Total	40.44	42.81	+5.9%

Operating income

	First Quarter of FY ended December 2017 results	FY ending December 2018	
		First Quarter results	Changes year-on-year
Asia Food Global Business	1.54	1.33	-13.6%
Agricultural & Seafood Products Trading Business	0.10	0.26	+149.6%
Other business	0.01	0.07	+351.9%
Total	1.66	1.64	-1.0%

Operating Income for the First Quarter of the Fiscal Year Ending December 2018 (Compared to the same period in the previous year)



Forecast of Operating Results for the Fiscal Year Ending December 2018

* Forecast of operating results have not been changed from the figures disclosed on February 14, 2018.



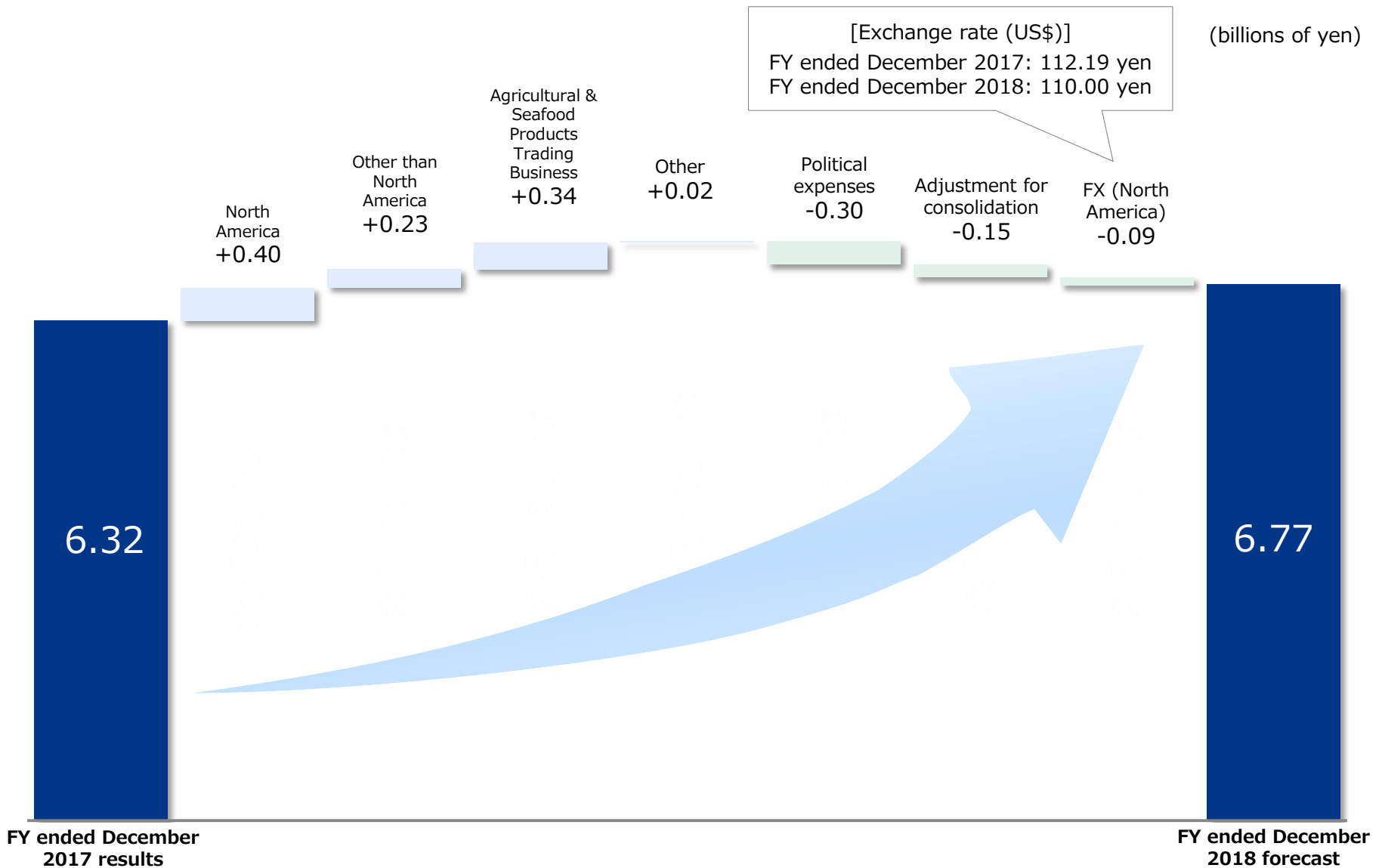
(Unit: billions of yen, Percentage to net sales is stated in parentheses)

		FY ended December 2017	FY ending December 2018			
		Full-year results	First half of FY forecast	Changes year-on-year	Full-year forecast	Changes year-on-year
Operating results	Net sales	172.0 (100.0%)	92.3 (100.0%)	+6.6%	184.8 (100.0%)	+7.4%
	Gross profit	29.8 (17.3%)	15.7 (17.1%)	+7.1%	31.9 (17.3%)	+7.1%
	Operating income	6.3 (3.7%)	3.1 (3.4%)	-2.8%	6.7 (3.7%)	+7.1%
	Ordinary income	5.9 (3.4%)	3.1 (3.4%)	+2.2%	6.6 (3.6%)	+12.9%
	Net income attributable to owners of parent	3.0 (1.8%)	2.1 (2.4%)	+50.5%	4.6 (2.5%)	+52.1%
Group KPI	Percentage of North America (Net sales)	58.9%	-	-	57.3%	-1.6 pt
	Percentage of North America (Operating income)	78.6%	-	-	77.3%	-1.4 pt
	ROWC ^{*1}	20.3%	-	-	21.8%	+1.5 pt
Yen/Dollar exchange rate (Average rate during the period)		112.19 yen	110.00 yen	-2.37yen	110.00 yen	-2.19 yen
Net income per share ^{*2}		236.37 yen	151.93 yen	+31.0%	324.98 yen	+37.5%

(*1) Operating income for FY 2017 / ([Working capital at the end of FY 2016 + Working capital at the end of FY 2017] / 2)

(*2) The Company conducted a five-for-one common stock split on June 1, 2017. Net income per share was calculated on the assumption that the stock split has been conducted at the beginning of FY 2016.

Operating Income for the Fiscal Year ending December 2018 (Compared to the Previous Period)



Sales to external customers

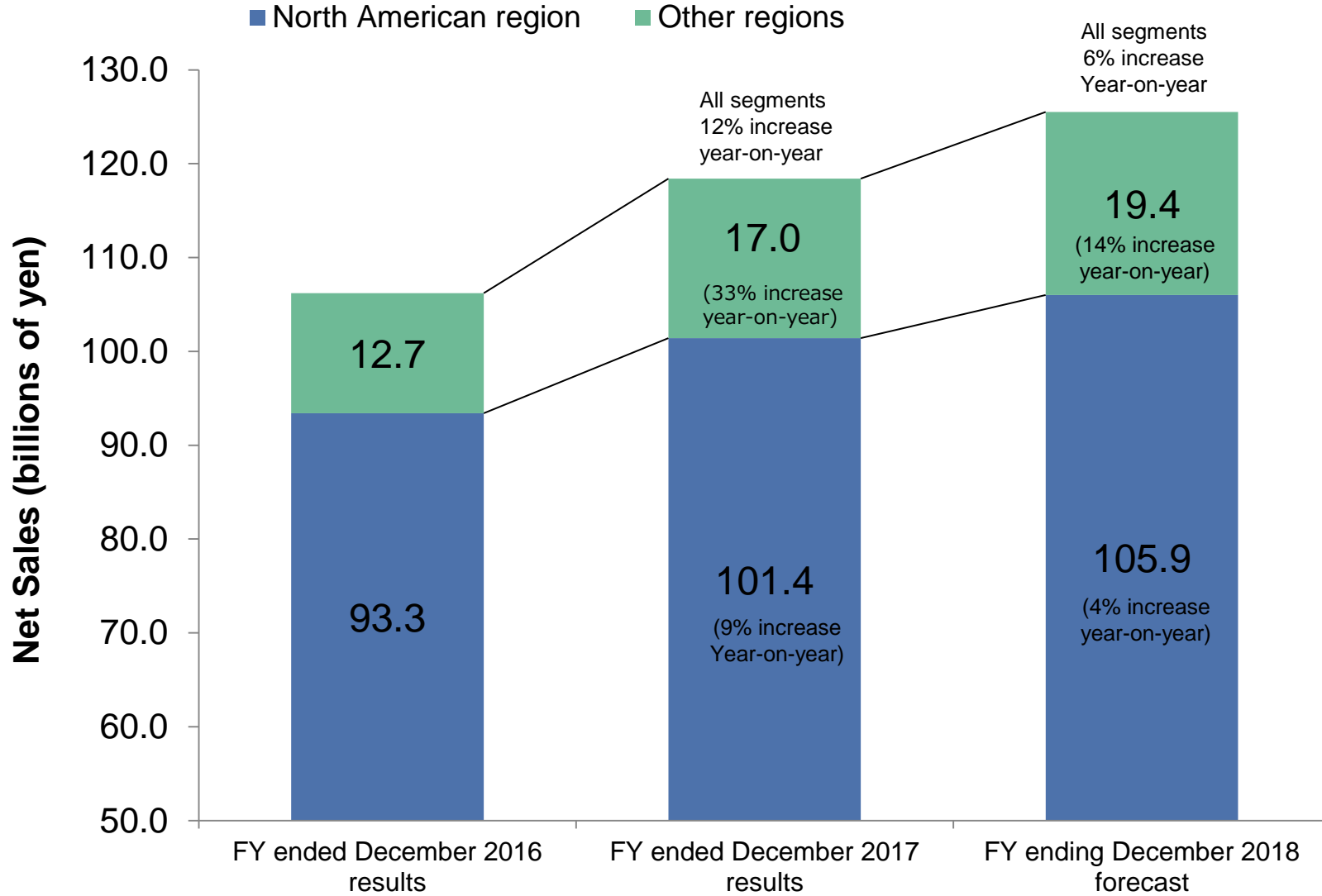
(billions of yen)

	FY ended December 2017	FY ending December 2018			
	Full-year results	First half of FY forecast	Changes year-on-year	Full-year forecast	Changes year-on-year
Asia Food Global Business	118.4	61.0	+5.3%	125.4	+5.9%
Agricultural & Seafood Products Trading Business	49.6	29.1	+8.1%	54.8	+10.5%
Other business	3.9	2.0	+25.1%	4.5	+13.6%
Total	172.0	92.3	+6.6%	184.8	+7.4%

Operating income

(billions of yen)

	FY ended December 2017	FY ending December 2018			
	Full-year results	First half of FY forecast	Changes year-on-year	Full-year forecast	Changes year-on-year
Asia Food Global Business	5.6	2.8	-8.6%	6.2	+9.6%
Agricultural & Seafood Products Trading Business	0.4	0.4	+205.0%	0.7	+79.0%
Other business	0.1	0.0	-	0.1	+12.3%
Adjustment (including political expenses)	0.0	-0.2	-	-0.4	-
Total	6.3	3.1	-2.8%	6.7	+7.1%



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